

# Real Estate Regulatory Authority, Bihar

6<sup>th</sup> Floor, Bihar State Construction Corporation Building, Shastri Nagar, Patna-800023

Direction No-2 of 2019

Dated 23<sup>th</sup> December 2019

## **Kind Attention: Promoters/Developers of Real Estate Projects**

### **Sub: Submission of Statement of Accounts for the FY 2018-19 of the Real Estate Projects duly audited by the Chartered Accountants**

Attention is invited to the Authority's email dated 4<sup>th</sup> Oct 2019 sent to the promoters of the real estate projects who have registered their projects or applied for registration of their projects with the Authority for submission by 31<sup>th</sup> October 2019 of the audited statement of accounts of each project duly certified and signed by a Chartered Accountant in practice enclosing therewith a verification report that the amount collected for a particular project and kept in a separate bank account have been utilized for the project and withdrawal has been in compliance with the proportion of the percentage of completion of the project. A copy of the aforesaid order along with Direction no 1 of 2019 of the Authority was also put on the website of the Authority.

In this connection, kind attention of all promoters/developers are invited to Section-4(2)(1)(D) of the Real Estate (Regulation & Development) Act, 2016 which states that :

Seventy per cent of the amounts realised for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose,

Provided that the promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project;

Provided further that the amounts from the separate account shall be withdrawn by the promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project;

Provided also that the promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts

duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

It has been brought to the attention of the Authority that though many Promoters of the Real Estate Projects have submitted the statement of accounts of their projects for the FY 2018-19 duly audited by the Chartered accountants in practice, large number of Promoters/Developers who have either registered their projects or applied for registration of the projects with the Real Estate Regulatory Authority (RERA), Bihar have NOT submitted the statement of accounts of their projects for the FY 2018-19 duly audited by the Chartered accountants to the Authority.

In exercise of the powers conferred under Section-37 of the Real Estate (Regulation & Development) Act, 2016 with a view to enhance transparency and financial accountability in the real estate sector and protect the interests of the consumers, the Authority hereby directs that All Promoters/Developers of the real estate projects who have either registered their projects or applied for registration of their projects with the Real Estate Regulatory Authority (RERA), Bihar and have not submitted the statement of accounts of their projects for FY 2018-19, should submit the statement of accounts of their projects for the FY 2018-19 duly audited by the Chartered accountants in practice by 31<sup>st</sup> December 2019 positively, failing which late fee charges of Rs 1000 per day will be levied for delay in submission of audited statement of accounts for each project beyond 31<sup>st</sup> December 2019. The audit report of the Charters Accountants should also enclose a Verification report to the effect that the amount collected for a particular project and kept in a designated separate bank account have been utilized for the project and withdrawal has been in compliance with the proportion of the percentage of completion of the project.

2. Promoters/Developers of real estate projects who have either registered their projects or applied for registration of their projects with the Real Estate Regulatory Authority (RERA), Bihar, should also submit their audited annual accounts (Profit and Loss account, Balance Sheet, Cash flow, notes to account with all the schedules) of the company/firm/organisation/individual along with the Statutory Auditor's certificate for the financial year **2018-19** by 31<sup>st</sup> December, **2019** positively as required under Direction no-1 of 2019 of the Authority.

Sd/-

By the Order of the Authority

Authorised Signatory